

VZCZCXRO5989
PP RUEHLMC
DE RUEHLP #2840/01 2931533
ZNY CCCCC ZZH
P 201533Z OCT 06
FM AMEMBASSY LA PAZ
TO RUEHC/SECSTATE WASHDC PRIORITY 0976
INFO RUEHAC/AMEMBASSY ASUNCION 6201
RUEHBO/AMEMBASSY BOGOTA 3517
RUEHBR/AMEMBASSY BRASILIA 7380
RUEHBU/AMEMBASSY BUENOS AIRES 4637
RUEHCV/AMEMBASSY CARACAS 1892
RUEHPE/AMEMBASSY LIMA 1935
RUEHMD/AMEMBASSY MADRID 3150
RUEHME/AMEMBASSY MEXICO 1829
RUEHMN/AMEMBASSY MONTEVIDEO 4099
RUEHQT/AMEMBASSY QUITO 4528
RUEHSG/AMEMBASSY SANTIAGO 9104
RUCPDO/DEPT OF COMMERCE WASHINGTON DC
RUEHC/DEPT OF LABOR WASHINGTON DC
RHMFISS/HQ USSOUTHCOM MIAMI FL
RUMIAAA/USCINCSO MIAMI FL
RUEHLMC/MILLENNIUM CHALLENGE CORP
RHEBAAA/DEPT OF ENERGY WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RHEHNSC/NSC WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 LA PAZ 002840

SIPDIS

SIPDIS

E.O. 12958: DECL: 10/19/2016

TAGS: [ECON](#) [PGOV](#) [PREL](#) [BL](#)

SUBJECT: MAS SPLITS KEY UNION IN SANTA CRUZ

Classified By: ECOPOL Andrew Erickson for reasons 1.4 (b) and (d).

SUMMARY

¶1. (C) This is the third in a series of three cables reporting on Emboff's meetings with Santa Cruz social movements. On October 13 Emboff met with Edwin Fernandez, leader of the Santa Cruz Departmental Labor Union, known by its Spanish initials COD. Each of the country's nine departments has a COD, which in turn is overseen by the Bolivian Central Labor Union (COB). Despite being elected in March, Secretary General Edwin Fernandez is not officially recognized by the COB because the Movement Toward Socialism (MAS) has set up a parallel organization. While relations with Santa Cruz business owners are good, the COD leaders feel the MAS wants to "liquidate" them and argue that they have been "defrauded" by President Morales. The COD asked for an extension of ATPDEA benefits and would support "sincere FTA negotiations". End Summary.

BACKGROUND

¶2. (C) Emboff met October 13 with Edwin Fernandez Espindola, Secretary General, and Osbaldo Torrico, Secretary of International Relations, the Santa Cruz Departmental Labor Union (COD) (Note: Both Fernandez and Torrico have previously traveled to the U.S. through the International Visitors Program). Each of Bolivia's nine departments has a COD, which in turn is overseen by the Bolivian Central Labor Union (COB). The CODs and the COB are theoretically apolitical, and have the stated mission of improving the working conditions of Bolivia's laborers. The Ministry of Labor certifies the COB and the nine CODs as legitimate unions and official bargaining units.

DUELING CODS

¶3. (C) In March the Santa Cruz COD held its departmental conference where Edwin Fernandez was elected as the new secretary general. The previous secretary general, Luis

SIPDIS

Bedia, of the MAS party, refused to accept the elections result, arguing that if the MAS controls the national government it should also control the COD. Bedia refused to hand over control of the COD to Fernandez and continued to occupy the COD headquarters until he and his supporters were forcibly removed by the police on July 1. Since that date, Fernandez and his supporters have been conducting a round the clock vigil at the COD headquarters in Santa Cruz city, with approximately twenty people living at the offices. Bedia in the meantime, has set up his own office and is running a parallel COD. Because of the controversy, the COB has not officially recognized Fernandez as secretary general. The COB has been trying to mediate between the two sides and in June called for a new election to be held within ninety days.

Fernandez agreed to hold new elections but Bedia refused (Fernandez claims because Bedia knows he would lose). The ninety days have passed without any resolution in sight. Emboff contacted the COB in La Paz and was told that the probable next step would be that the COB would be forced to organize the election itself to end this stalemate.

RELATIONS WITHIN SANTA CRUZ

¶4. (C) Fernandez said that he views the COD's role as "defining what is good for the workers, not playing politics". He said that the COD's relationship with company owners is "friendly", although "we have our differences". Fernandez said in Santa Cruz, and in much of eastern Bolivia, the relationship between worker and owner is more one of "associates" as opposed to the strict "master-serf" relationship found in the highlands area. In Santa Cruz for example, it is not uncommon for a company boss or owner to go to a worker's birthday party or some other family event.

LA PAZ 00002840 002 OF 002

That being said, Fernandez added, "there is a big difference between being a worker and a company owner". In the past, "Santa Cruz social organizations were very elitist and run by a close circle of people. Now we have started to see an opening up and eagerness to become more inclusive. This is especially true in the case of the Pro-Santa Cruz Committee".

DON'T CALL US OLIGARCHS

¶5. (C) Fernandez and Torrico expressed frustration and deep concern with the Morales government. "Morales and his ministers call us oligarchs", said Fernandez, "we are not oligarchs in any sense of the word, we are workers". Torrico added "the MAS is trying to put us in the ultra-rightist camp which is absurd. We are a workers union and by definition are ourselves socialists". Fernandez told Emboff that many COD members had voted for Morales and that the COD continues to support many of Morales' policies, such as hydrocarbons nationalization. Now however, according to Fernandez, "the MAS wants to liquidate us and turn the COD into a MAS organization. Our union members and leaders are being threatened, corrupted and blackmailed by the MAS. The MAS does not negotiate, it demands total submission. The COD supports change in Bolivia, but not the domination and imposition of an Aymaran system. The Aymaras are a segment of Bolivian society, but only one of many ethnic and social groups." Torrico complained that Morales "inflames racism and cannot mask his blind hatred". "It is ironic", said Fernandez, "so many of us campaigned for Morales. We were defrauded".

ATPDEA and FTA

¶6. (C) Fernandez told Emboff that he wanted to take this opportunity to ask that ATPDEA benefits be renewed (Note: Emboff explained the Congressional renewal process). Fernandez said "that our brothers in El Alto depend on ATPDEA, and although we do not want to reward the Morales'

government, we don't want workers to suffer". "Morales is concerned about ATPDEA because he needs El Alto support. El Alto can make him fall". Torrico said that the Santa Cruz COD was studying the possibility of organizing a joint mission with the La Paz COD to go to Washington and lobby for ATPDEA extension. When asked about the COD's position on an FTA, Fernandez responded "Bolivia is not ready for an FTA, but we do not want to be isolated. There are many areas where Bolivia cannot compete, however, the COD would support sincere negotiations".

COMMENT

17. (C) The Santa Cruz COD fight is the clearest example of MAS efforts to assert hegemony over the unions we have seen so far. Morales has lost the support of the elected COD's leaders and created new enemies in what should be a natural MAS constituency.. It is increasingly likely the COB will have to step in to settle the situation. In the meantime, heavy-handed MAS tactics alienate its natural base and push former MAS supporters in the direction of the opposition.
End Comment.

GOLDBERG